

Sourcing from Cambodia

COSMETICS

Product & Supplier Brochure



Source: Unsplash





Content

01	CAMBODIA AT A GLANCE
02	CAMBODIA FACTSHEET
03	INTRODUCTION
04	INGREDIENTS
05	PRODUCTION
06	REGULATIONS
07	DEVELOPMENT COOPERATION
08	INTERNATIONAL TRADE
09	COMPANY PROFILES
10	OTHER CONTACTS

Cambodia at a Glance

Cambodia has enjoyed over two decades of economic and urban development, averaging an annual GDP growth rate of 6% between 2010 and 2021. After a small post-Covid slump, GDP has continued increasing, from USD 27.2 billion in 2021 to USD 29.6 billion in 2022. Growth forecasts are 5.5% and 6% for 2023 and 2024, respectively.

The country's population is 17 million and increasing, with a relatively young median age of 27. Cambodia's middle class is growing, as is the urbanization rate, currently estimated at 25.3%. The presence of a young, growing and increasingly urbanized middle class suggests Cambodian consumer demand and spending will continue to grow steadily in the future, as has been the case for over two decades. Cambodia's GDP per capita is estimated at USD 1,784.79 for 2022 with household consumption being equivalent to 65.2% of the GDP.

The Government of Cambodia has embraced free market principles and sees the opening of the country to foreign investment as one of its priorities; it aims to bring the country to upper-middle-income status by 2030 and high-middle-income status by 2050. The Government has introduced various policy incentives to ease business engagement. One of them, called Qualified Investment Projects (QIPs), offers several benefits including tax holidays and duty exemptions on the import of construction materials.

Cambodia's international trade benefits from the country's favourable geographic location at the crossroads between Thailand and Vietnam – two major manufacturing economies and trading partners in the region. The recent signing of regional and bilateral free trade agreements (FTAs) is expected to strengthen Cambodia's connectivity with international markets. Examples of such agreements include

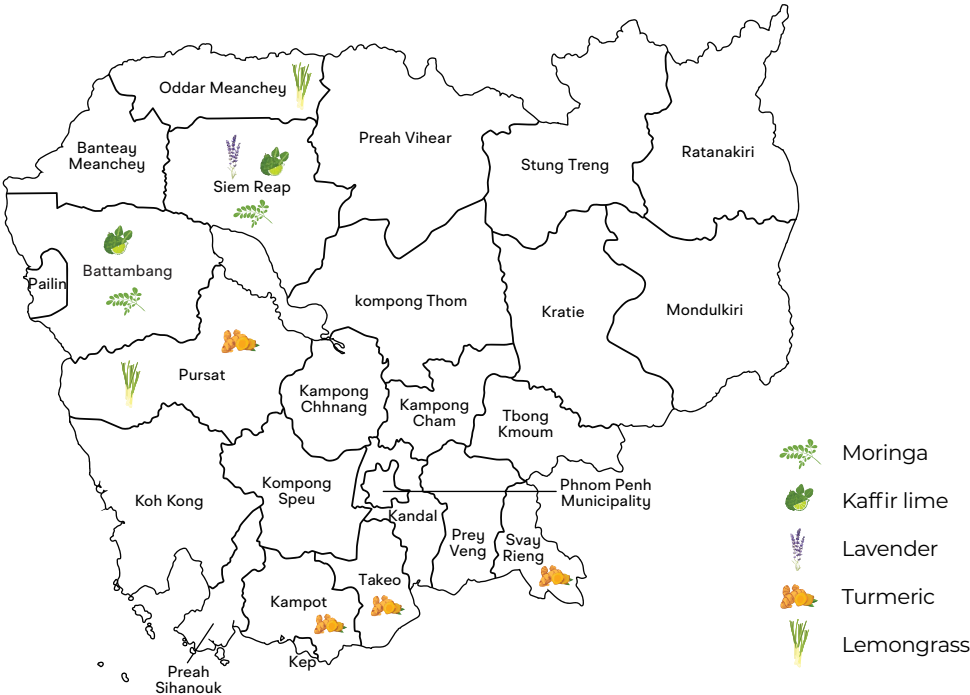
the China-Cambodia FTA and the Regional Comprehensive Economic Partnership (RCEP). Although there is no bilateral FTA between Cambodia and the European Union yet, trade links are significant. After China and the USA, the European Union (EU27) is Cambodia's third largest trade partner as of 2022 (followed by Vietnam and Thailand), with Germany being the top individual EU country.

Cambodia's trade performance has been very impressive in the last 10 years. The country's exports have grown by an average of 16% per year, while imports have grown by an average of 12% annually. This has led to a significant increase in the country's trade surplus:

In 2022, Cambodia's exports totalled USD 16.3 billion, while imports totalled USD 12.7 billion, resulting in a USD 3.6 billion surplus. The garment industry is the country's single largest export sector, accounting for about 70% of total exports. However, there are also rising opportunities for the export of local agricultural products, such as rice and cashew nuts. Going forward, Cambodia's trade performance is expected to remain strong. Besides the country's traditional exports, the Government is working to diversify the country's export base, including new agricultural products.

Cambodia will continue developing as a sourcing destination of high-quality products for the international market.

Cambodian cosmetic production, by region



Cambodia Factsheet

02

6

Currency

Riel (KHR): 1 USD \approx 4,100 KHR. Dollarised economy (83%)

GDP

USD 28.3 billion (2022)

GDP growth rate

5.3% (2022)

GDP per capita

USD 1,771 (2022)

Official language

Khmer, English widely used

Capital city

Phnom Penh

Major cities

Siem Reap, Sihanoukville, Battambang

Government type

Constitutional Monarchy

Head of State

His Majesty King Norodom Sihamoni

Population

17 million (2023), annual growth 1.08 %, <27 years old: 50%

Economy

Garments, Tourism, Construction, Agriculture

Climate

Wet season: May to October

Dry season: November to April, average temperature: 27°C

Major religion

Buddhism (95%)



Introduction 03

Cosmetics have become an integral part of Cambodia's modern consumer-driven lifestyle. While the market largely depends on imported foreign products to meet local demand, there is a growing number of Cambodian cosmetic manufacturers that are utilizing locally-sourced ingredients in their products. This shift is driven by changing consumer preferences and a desire for more niche, organic personal care items. The availability of natural ingredients within the country and increased consumer spending have created opportunities for products such as natural and essential oils, herbs and spices, and plant extracts.

Cambodia offers a rich array of natural ingredients for cosmetics. Natural oils like coconut oil, palm oil, sesame oil, and rice bran oil are commonly used for their vitamin and mineral content, providing moisturizing and nourishing properties to the skin. Herbs and spices such as turmeric, lemongrass, and moringa, known for their anti-inflammatory and antioxidant properties, contribute to protecting the skin from damage. Plant extracts like aloe vera, green tea, and chamomile are employed for their soothing and healing qualities, helping to diminish the appearance of wrinkles and blemishes. Essential oils like lavender, rose, and jasmine are also utilized for their delightful fragrances and their ability to enhance mood and promote relaxation.

Cosmetics usage in Cambodia is closely tied to established beauty standards that have been shaped over centuries in Khmer society. Despite the influences of globalization, these beauty standards persist and even thrive today.



Source: Freepik

Ingredients

Cambodia offers a diverse range of natural cosmetic ingredients, derived from its abundant flora and traditional herbal practices. These ingredients are valued for their nourishing, healing, and rejuvenating properties, and are increasingly sought after by both local and international beauty enthusiasts. While a variety of herbs and spices are used for their cosmetic properties in Cambodia, the below list highlights some of the most prominent plant-based ingredients, including moringa, keffir lime, turmeric, and lemongrass.

04



Source: Freepik



Moringa

Moringa, commonly known as “Chamka” in Cambodia, is a versatile herb that has been used for centuries for its comprehensive health benefits. Native to Northwestern India, moringa is widely cultivated in tropical and subtropical areas, including Cambodia.

Moringa oil, extracted from the seeds of the Chamka tree, is a popular ingredient in natural cosmetics and skincare products. It is light and easily absorbed by the skin, making it suitable for moisturizing and nourishing formulations. Moringa oil hydrates the skin, improves its elasticity, and reduces the appearance of fine lines and wrinkles. It also has anti-inflammatory properties that can calm and soothe irritated skin.



Kaffir Lime

Kaffir lime is a citrus fruit native to Southeast Asia. It is known for its strong, citrusy aroma and its many health benefits. The fruit has a number of skin-boosting properties, and its extracts are often used in cosmetics and beauty products. Kaffir lime also contains antioxidants that can help neutralize free radicals and prevent cell damage.



Turmeric

Turmeric, known as “Romiet” in Khmer, has been used for centuries in traditional Cambodian medicine. It is a vibrant golden spice with potent anti-inflammatory and antioxidant properties. Turmeric extracts are popular ingredients in skincare products due to their ability to brighten the skin and even out the complexion.

11



Lemongrass

Lemongrass, known as “Sloek Krey” in Khmer, is a popular herb with a refreshing scent that is used in cooking, aromatherapy, and natural medicine. It is also known for its cosmetic benefits, including antibacterial, astringent, rejuvenating, moisturizing, and refreshing properties. Lemongrass can be used in a variety of ways to improve the skin, such as facial toner, mask, body scrub, bath water, or diffuser.



Source: Freepik

Production

12

Despite increasing market demand, cultivation of natural ingredients for cosmetic purposes in Cambodia is still on a relatively small scale and often informal, grown by smallholder farmers or local cooperatives. It is hard to find statistics on production quantities and locations, with existing information coming from Cambodia's last Inter-Censal Agriculture Survey in 2019 and related estimates. Subsequent processing of these ingredients is done by local small and medium-sized enterprises.

Moringa, also known as the "Tree of Life," is cultivated mostly in Siem Reap province. According to the 2019 Survey, the total moringa production was estimated to be around 100 tons of leaves per year. The tree's leaves, seeds, and pods are highly nutritious and have numerous health benefits. By planting seeds or young seedlings in well-drained soil, Moringa is grown in both small-scale and large-scale plantations. Processing of moringa for

cosmetics involves several steps, starting with the harvest, cleaning, and drying the mature parts of the plant. Moringa oil, for example, is commonly obtained through cold-pressed extraction, where pressure is applied to the seeds to release the oil. Other compounds, such as essential oils or active plant constituents, may be obtained using methods like solvent extraction or steam distillation. Extracts are then sampled into control batches for testing, formulated with other ingredients depending on the desired product, and finally bottled for the consumer market.

Although no local production statistics specific to Kaffir lime are available, existing data on lime production in Cambodia shows a total of 1,327 tons produced in 2019, mostly in the provinces Siem Reap and Battambang. Kaffir lime trees can be propagated through seeds or by grafting and they prefer tropical climates and well-drained soil. After



harvesting and preparing the fruit, active compounds, such as essential oils, are extracted through cold-pressing or steam distillation, enabling the creation of cosmetics through the formulation with other ingredients. Various parts of the kaffir lime can be used in such cosmetic products, including the peel, leaves, and juice.

Turmeric, known for its vibrant colour and health benefits, is grown across a total of 661 hectares in Cambodia, with by far the largest area being in Pursat province (447 hectares). The plant thrives in tropical climates with well-drained soil. Turmeric is propagated through rhizomes and the plants require protection from excessive sunlight. After around 8 to 10 months, the turmeric rhizomes are ready for harvest, to be dug up, washed, and dried. For processing into cosmetics, the active compounds in turmeric, such as curcumin, are extracted from the roots. Different extraction methods can be

used, including solvent extraction, steam distillation, or cold-pressing to isolate the desired compounds.

Lemongrass is a popular herb in Cambodian society, with a total of 6,413 hectares being dedicated to its cultivation nationwide. By far the largest share is grown in Oddar Meanchey (4,851 hectares), followed distantly by Pursat (630 hectares). Various parts of the harvested lemongrass stalks can be used to create cosmetic products, including the leaves and stems. Steam distillation is often used to extract essential oils from the plant – in the most simple form, this is done by placing it on a steaming rack in a pot containing continuously heated water. Cold-pressing, on the other hand, can extract other active compounds to capture the aromatic and therapeutic properties of lemongrass.

Regulations

There are currently no formal policies in place in Cambodia to regulate the production of natural ingredients for cosmetics beyond the general policies related to agriculture. However, the Ministry of Commerce published official proclamation (Prakas) No. 64 on the Requirements of the Cosmetics Distribution in February 2022. The Prakas establishes the legal standards for the distribution of cosmetics with the goal of encouraging fair competition, health protection, and benefits for consumers.

Firstly, the Prakas defines the prerequisites to run a cosmetic business in Cambodia. Anyone, including individuals and legal entities, who supplies cosmetics

to the market in Cambodia – including through wholesale or retail sales, offering as gifts, or doing so for testing – must: a) Obtain the necessary product registration or approval letter from the Ministry of Health; and b) Apply proper labels to the products in accordance with the information standards on goods or services.

The Prakas also obligates cosmetic businesses to provide minimum and accurate information. This means that it is not permitted to include any false, misleading, or deceptive information on the cosmetics' labels. Additionally, the packaging label or description form that is affixed to the cosmetics container



06

must give or convey to consumers the minimum details of such cosmetics. In accordance with the requirements of the information standards, name, function, and usage manual of the product must be provided. Furthermore, a list of ingredients, the name of the country of origin, the net weight and the batch number need to be disclosed. The product must also display the manufacturing and expiration date – the latter is only required if usage period is less than 30 months. Finally, the name and address of the company or any person liable for distributing the product in Cambodia and, if necessary, warning labels need to be attached.

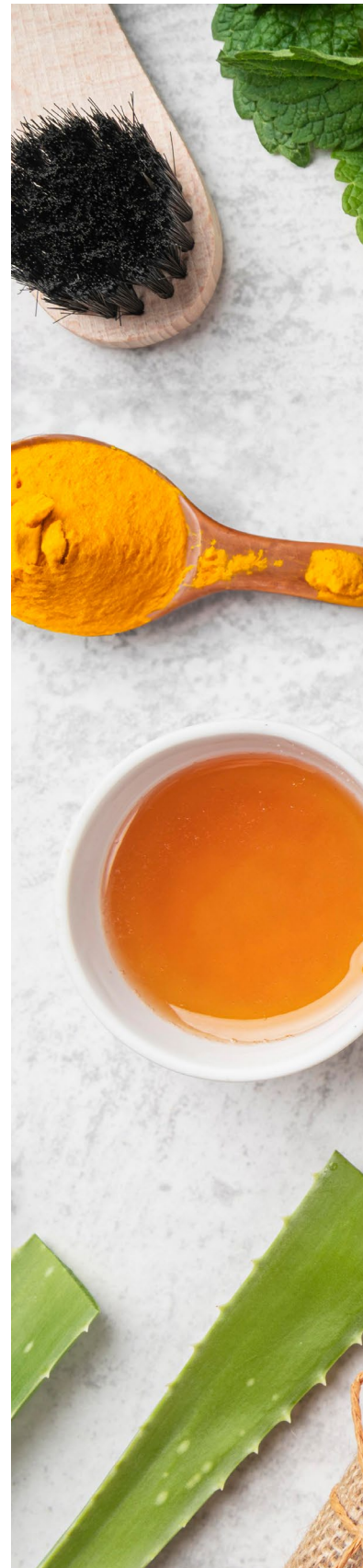
The Prakas also requires compliance with the Law on Consumer Protection, particularly the clauses prohibiting unfair conduct and unfair practice. Furthermore, unqualified products discovered to be dangerous or non-compliant with technical specifications need to be recalled, if necessary. To this end, the origins and quantities of cosmetic products need to be documented. Unqualified products must be recalled with the assistance of the Consumer Protection, Competition, and Fraud Repression Directorate-General (CCF) and this can be enforced by the latter, shall the business owner not take appropriate action.



Development Cooperation

Currently, there are no ongoing development projects in the cosmetics sector. In the past, there have been individual studies conducted by development cooperation partners in Cambodia to assess the export potential of local crops. One such study is the USAID's Cambodia Agriculture Competitiveness Opportunity Assessment from 2019.

07





International Trade

For international trade statistics, this publication uses Harmonized System (HS) Code 33, the catch-all tariff line for essential oils, perfumes, and cosmetics. This choice is motivated by the difficulty in obtaining official data on the trade of individual natural ingredients from and to Cambodia.

Exports

Cambodia's cosmetics export market is very small, but it has also wildly fluctuated since 2018. According to ITC Trade Map, the export value in 2018 amounted to only USD 207,000 and subsequently increased eightfold to reach USD 1.6 million in 2021. In 2022, a sharp decline has been reported to a mere USD 101,000. Currently, the largest export market by far is the United States, followed by Singapore, Israel, India and Hong Kong.

Imports

Cambodia imports most of its cosmetics. In 2018, import volumes totalled USD 105.8 million. Due to COVID, imports fell to USD 80.5 million in 2020, but have since increased to USD 117.9 million as of 2022. The main sourcing countries are Thailand (USD 62.1 million), Singapore (USD 31.4 million), Indonesia (USD 10.1 million), China (USD 3.4 million) and South Korea (USD 2.8 million).

Certification plays a major role in international trade of cosmetics. While ISO has various standards connected to cosmetic products, the most significant one is ISO 22716, which is a Good Manufacturing Practices (GMP) standard in the industry. Other certifications that businesses can obtain include KH-BIO 154, Ecocert Standard for Natural and Organic Cosmetics, USDA Organic, COSMOS-standard, NATRUE, and JAS, to access major export markets.



09

Company Profiles

The following section features selected Cosmetic companies.

20



Source: Freepik



BODIA CAMBODIAN APOTHECARY

Bodia Spa, located near the Angkor temples in Cambodia, pioneered natural and homemade treatments 15 years ago. The company focuses on sustainable beauty and holistic well-being. Bodia maintains meticulous control over product quality, from sourcing to production. It implements socially and environmentally responsible programs to benefit individuals and the environment. Bodia has obtained the prestigious ISO 22716 certification for compliance with the Cosmetic Good Manufacturing Practices, and its products adhere to European standards outlined in Regulation EC 1223/2009. Currently, the company is working with Cambodian authorities to acquire local Good Manufacturing Practice certification, further emphasizing its commitment to exceptional quality and safety standards.

bodia.
Cambodian Apothecary

MAIN PRODUCTS

Creams and serums

Cleansing foam

Masks

Lip balms

Scrubs

Soaps

Shampoo/conditioner

Deodorants

Balms

Massage oils

Aromatherapy

CERTIFICATIONS

ISO 22716 (Cosmetic Good Manufacturing Practices)

21

CONTACT

<https://bodia.com/> | +855 (0)23 226 199 | hra.pp@bodia.com

Corner Sothea Bld & Street 178, Phnom Penh, Cambodia



MAIN PRODUCTS

Organic homemade soap

Shampoo

Hair serum

CERTIFICATIONS

FDA

GMP

BORAN CARE

Boran Care is a pioneering skincare brand based in Banteay Meanchey, Cambodia. Established in 2019 and officially registered in 2020, it proudly stands as the first locally-owned skincare company dedicated to genuine natural products and sustainability. Boran Care aims to become the leading producer and supplier of organic skincare in the region, crafting natural, handmade health and beauty care products that combine traditional wisdom with a contemporary approach. With meticulous sourcing of raw materials from the local neighborhood to support careful farming and local communities, Boran Care redefines the beauty industry in Cambodia by offering effective and environmentally conscious skincare alternatives that embrace traditional knowledge and modern techniques.

CONTACT

<https://www.facebook.com/borancarekh/> | +855 (0)78 418 228 | info@borancareasia.com

52, Pongro, Kampong Svay, Serei Saophoan, Banteay Meanchey, 1251, Cambodia



DAI KHMER

Dai Khmer is part of the new wave of Cambodian businesses offering sustainable high-quality products. The company is benefitting from Cambodia's increasing recognition as a supplier of exotic fruits, vegetables, and artisanal handicrafts. Dai Khmer produces organic, skin-soothing, vegan-friendly well-being products that are handmade in the heart of Cambodia. Dai Khmer's products are known for being naturally kind to both skin and the planet. Additionally, the company actively supports women in Cambodia, contributing to their empowerment.



DAI KHMER

KHMER HANDMADE

MAIN PRODUCTS

Soaps

Creams

Oils

Lip balm

Body lotions

Rice scrub

CERTIFICATIONS

**Cambodia Standard
Certification**

**Quality control from
Cambodian lab**

23

CONTACT

<https://daikhmer.com/> | +855 (0) 12 953 563 | info@daikhmer.com

St 440, Phnom Penh 12310, Cambodia



KAMBIO NATURE

Kambio Nature is a French family-owned company that was established in 2014 in Siem Reap, Cambodia. Its primary focus lies on creating organic cosmetics and aromatherapy products in a sustainable and responsible manner. All of the company's products are meticulously handmade in Cambodia and produced in small batches. Kambio Nature is dedicated to offering affordable, high-quality organic products that are crafted at every stage of the process, from preparation to filling, labelling, and packaging.



MAIN PRODUCTS

Natural and organic cosmetics

Hospitality supplies

Essential oils

Custom products

Perfumes and scent diffusers

Wedding and event favors

CERTIFICATIONS

GMP ISO 22716:2007

CONTACT

www.kambionature.com | +855 (0)89 845 770 | order@kambionature.com

93 Street 454, Toul Tompong, Phnom Penh, Cambodia



SENTEURS D'ANGKOR CAMBODIA

Founded in 1999, Senteurs d'Angkor has successfully utilized local resources to develop an original and high-quality craft industry while maintaining a commitment to respectful working conditions. The company places a priority on providing its staff with favorable employment terms and social protection. Senteurs d'Angkor actively promotes equal opportunities and advocates for women's rights.

MAIN PRODUCTS

Balm
Skincare
Coconut oil
Soap
Aromatherapy
Essential oils
Oils and burner
Incense
Scented candles

CERTIFICATIONS

HACCP
ISO 22716:2007

25

CONTACT

<https://senteursdangkor.com/> | +855 (0)23 992 512 | gm@senteursdangkor.com

Street 178, Phnom Penh (in front of National Museum), Cambodia

Other Contacts

SECTOR STAKEHOLDERS

Bureau of Drugs and Cosmetics, Department of Drugs and Food, Ministry of Health

<https://www.ddfcambodia.com/>

Cambodia Chamber of Commerce

<https://www.ccc.org.kh/>

Cambodia Development Resource Institute

<https://cdri.org.kh/>

Cambodian Federation of Employers and Business Associations

<https://www.camfeba.com/>

Cambodian Ministry of Commerce

<http://www.moc.gov.kh>

European Chamber of Commerce in Cambodia (EuroCham)

<https://www.eurocham-cambodia.org/>



Source: Freepik

Developed and produced by

EuroCham Cambodia in collaboration with German Business Cambodia, and GIZ (Business Scouts for Development Programme and ARISE+) in 2023.

Supported by the Ministry of Commerce Cambodia

